

**NIH POLICY MANUAL**  
**54705 Scientific Review and Evaluation Award:**  
**Award & Management**  
**Issuing Office: OER/OPERA (301) 435-0949**  
**Release Date: 06/01/03**

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**1. Explanation of Material Transmitted:** This manual chapter updates the policy and procedures used by Institutes and Centers that engage in scientific peer review of grant and cooperative agreement applications, contract proposals and/or applications for the Loan Repayment Program under the peer review system.

**2. Filing Instructions:**

**Remove:** NIH Manual 4705 dated 11/25/83 in its entirety

**Insert:** NIH Manual 4705 dated 06/01/03

**For information on:**

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Office of Policy for Extramural Research Administration  
(301) 435-0949

- The NIH Manual System:

<http://www1.od.nih.gov/oma/manualchapters/management/1710/>

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<http://www3.od.nih.gov/oma/manualchapters/grants/4705/>

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**4705--Scientific Review and Evaluation Awards**

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**A. PURPOSE**

The purpose of this chapter is to set forth the policy and procedures governing the use of Scientific Review and Evaluation Awards (SREAs).

**B. APPLICABILITY**

This policy is applicable to all National Institutes of Health (NIH) Institutes and Centers (ICs) that engage in scientific peer review of grant and cooperative agreement applications, contract proposals and/or applications for the Loan Repayment program under the peer review system.

The policies and procedures outlined in this Chapter serve as broad guidelines for SREA operations, and each IC is authorized to adapt these policies as warranted by their local requirements. For instance, the increased use of technology, the use of SREA service centers, and other factors may make certain specific procedures irrelevant. For these reasons, IC modifications to the tenets of this Chapter are allowable on the condition that they do not violate or compromise appropriations law, NIH internal control policy, or other requirements.

**C. REFERENCES**

1. Code of Federal Regulations, Title 42, Part 52h – “Scientific Peer Review of Research Grant Applications and Research and Development Contract Project”
2. NIH Manual Chapter 1500-12 “Travel for Consultants, Experts, and Private Citizens” available at:  
<http://www1.od.nih.gov/oma/manualchapters/management/1500/>
3. NIH Manual Chapter 1500 “Travel Policies and Procedures” available at:  
<http://www1.od.nih.gov/oma/manualchapters/management/1500/>
4. NIH Manual Chapter 5807 –“Submission and Receipt of Financial Status Reports” available at: <http://www3.od.nih.gov/oma/manualchapters/grants/5807/>

**D. DEFINITIONS**

1. **Committee meeting** – any gathering of advisory committee members (whether in person or through electronic means) held with the approval of an agency for the purpose of deliberating on the substantive matters upon which the advisory committee provides advice or recommendations.

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2. **Consultant** – An individual who is a non-Federal employee who has been appointed to an initial/integrated review group, invited to participate on a special emphasis panel, or serves as a temporary member.
3. **Federal Government Employee** – An individual whose term of federal employment is to serve 131 working days or more during any period of 365 consecutive days.
4. **Initial Review/Integrated Group (IRG)** – A group composed of primarily non-Federal scientific experts that conduct the initial scientific and technical merit review of grant and cooperative agreement applications, contract proposals and/or applications for the Loan Repayment program.
5. **Public/Consumer Advocate** - An individual chosen to serve on an Initial/Integrated Review Group or Special Emphasis Panel (SEP) as a public member. This person is allowed to serve based on their experience and knowledge of a disease, health status, or public health problem. For IRG committees, this reviewer is invited initially to attend meetings as a temporary member. Public members may subsequently be invited to become regular members of the review group for a term of one year. Each one year term would be a term of “availability” to participate in review meetings, with actual service at each meeting based on the need for their experience/expertise. For SEP meetings this individual will serve as a regular SEP member and will be coded in CM IMPAC II as “public”.
6. **Scientific Review Administrator (SRA)** – An NIH Health Scientist Administrator who is responsible for arranging, conducting, and managing the initial review process for applications and proposals.
7. **SREA – A Scientific Review and Evaluation Award** (Cooperative Agreement – U09) in support of the activities of peer review groups.
8. **SREA Officer (hereafter referred to as Officer)** - A senior staff member of the awarding IC who is designated to administer SREAs. This individual is usually the Chief Grants Management Officer, an Administrative Officer, Committee Management Officer or Director of Extramural Program Activities or his/her designated official. The individual’s affiliation must be organizationally separate from immediate peer review responsibilities.

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9. **SREA PI (hereafter referred to as PI)** - The individual member of the IRG named as the Principal Investigator, to whom the SREA is issued, and who is responsible for its administration, on behalf of the IRG or SEP.
10. **Scientific Review Groups (SRGs)** – The generic, functional name for any group engaged in scientific and technical peer review. SRGs may be individually chartered or part of a larger chartered group. They are commonly called study sections in the Center for Scientific Review (CSR) and review committees in the ICs. Special Emphasis Panels are also considered SRGs.
11. **Special Government Employees (SGEs)** – Members serving on National Advisory Councils, Boards of Scientific Counselors, and Program Advisory Committees are appointed by personnel action and are Special Government Employees. SGEs are appointed or employed to perform temporary duties on an intermittent basis and less than 130 days in a calendar year, with or without compensation. When paid for their services, SGEs are paid from NIH operating funds. Members of SRGs are not Special Government Employees.
12. **Special Emphasis Panel (SEP)** – A chartered committee whose membership is fluid, with individuals designated to serve for individual meetings rather than for fixed terms of service.
13. **Temporary Member** – When NIH staff determines there is need for additional expertise on Scientific Review Groups, they may invite appropriate experts to serve as special reviewers. NIH Extramural Policy Announcement 1996-03 ([http://odoerdb2.od.nih.gov/oer/policies/oer\\_announce\\_1996\\_03.htm](http://odoerdb2.od.nih.gov/oer/policies/oer_announce_1996_03.htm)) provides for any “fully participating reviewer” to vote and assign a score, whether a regular member of a chartered group or not. For this purpose, a “fully participating reviewer” is one who is formally assigned as a reviewer or discussant; or who is present, has reviewed and evaluated the application, and has participated in the deliberation on its scientific and technical merit at the review meeting. These special reviewers are designated as “temporary members” for the meeting in which they participate and have the rights and obligations of regular members during that meeting; however, they do not contribute to a quorum.

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**E. POLICY**

Scientific Review and Evaluation Awards (SREA) support the activities of Initial/Integrated Review Groups and Special Emphasis Panels through an assistance mechanism. Because NIH staff are substantially involved in monitoring the expenditure of funds, SREAs are awarded as cooperative agreements (Activity Code U09). A SREA must adhere to the following guidelines:

1. There is usually one SREA for each chartered IRG. In those cases where a chartered committee has two or more sections, e.g., Program Project Review Committees A and B, or so-called flexible study sections, a single SREA should be used. Any exception to this general rule requires justification on the basis of scientific program organization, increased efficiency, and cost effectiveness. Any exception must be approved by the Deputy Director for Extramural Research (DDER), NIH.

For those ICs that do not have an Initial/Integrated Review Group and use the SEP mechanism, the NIH senior official managing the SEP will designate an individual to serve as PI and implement appropriate internal controls.

Consultants are reimbursed for expenditures by check. Checks are issued by:

- a. the IC or the Center for Scientific Review (CSR) Service Center, NIH. They write, sign and issue checks with the PI's name, on his/her behalf; or
  - b. the PI of the SREA grant can write, sign and issue checks.
2. Reimbursement of travel, per diem, and payment of consultant fees and other expenses for non-government members of initial/integrated review groups, special emphasis panels, and temporary members are allowed for:
    - a. attendance at IRG meetings;
    - b. attendance of both on-site and reverse-site visits where evaluations are made of applications or proposals; and
    - c. telephone, mail and electronic reviews, e.g., telephone conference calls and web based reviews.
    - d. mail reviews at the discretion of each IC

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3. Payment of other costs directly related to activities within the responsibilities of the IRG:  
  
These activities include attendance at IRG-initiated workshops, seminars, or similar meetings that survey the “state of the art” in a particular scientific field, and/or identify where scientific support should be expanded, curtailed, or redirected. If the costs of such a meeting are to be from SREA funds, prior approval must be obtained from the SREA Officer (or other senior official designated by the IC Director) in order for the IRG members to participate. The purpose of these meetings should be closely associated with the IRG's responsibilities and should benefit the Government.
4. SREA funds may NOT be used for:
  - a. reimbursement of Federal Government employees;
  - b. support (directly or indirectly) of IC intramural, collaborative, or extramural activities that are the immediate operational responsibilities of an awarding unit;
  - c. program planning activities (see Section K.2); and
  - d. costs obligated or incurred prior to the beginning date of the SREA.
5. The PI may not transfer the responsibilities for administering the award funds to any other individual or organization without prior written approval of the Officer in the awarding IC.
6. Each IC identifies its own SREA functions and assigns responsibility for those functions to ensure adequate responsibility and independence from immediate review responsibilities and to ensure adequate internal controls.

**F. RESPONSIBILITIES**

1. **Scientific Review Administrator (SRA):** The SRA for each IRG or SEP shall:
  - a. designate, in conjunction with a senior official or other assigned official, the Principal Investigator (PI);
  - b. notify the Officer of any change in member or PI status;



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- c. ensure that non-Federal members and consultants in physical attendance at meetings are provided a copy of Form NIH 1715-2 "Claim for Reimbursement of Travel Cost, Per Diem, and Consultant Fee" to claim reimbursement of approved costs, and are instructed to return the completed form to the SREA office or collect appropriate information needed for reimbursement for consultants participating only by mail or telephone; and
  - d. provide an attendance record or roster of IRG SEP meetings, project site visits, or other IRG-related events to the SREA office or appropriate office.
- 2. **Officer:** Each IC selects a senior staff member who is responsible for the SREA mechanism. The Officer may designate the staff that performs the operational aspects of the award; however, the functions of the Officer are to:
  - a. determine if the designated PI is a bonafide member of the scientific review group that the SREA is supporting;
  - b. determine that the award of a SREA for new or continuing activities is appropriate and that the proposed level of funding is adequate but not excessive;
  - c. establish a SREA checking account on behalf of the PI (see Section I.3);
  - d. review and approve any proposed use of the award funds;
  - e. approve travel advances (see Section J.3);
  - f. reconcile the award account monthly;
  - g. ensure submission of the annual and final Financial Status Reports (FSR) on behalf of the PI (NIH Manual Chapter 5807 available at <http://www3.od.nih.gov/oma/manualchapters/grants/5807/>);
  - h. close out awards as appropriate;
  - i. ensure timely issuance of a Notice of Grant Award should the PI change; and
  - j. maintain records in accordance with Manual Policy 1743 – Keeping and Destroying Records.

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3. **Principal Investigator:** When check writing is handled externally, the PI shall:
  - a. issue checks for travel advances and payments;
  - b. reconcile the SREA bank account with the Officer on a monthly basis;
  - c. remit to the Federal Government interest payment received as they are credited to the account (see Section I.3); any interest on SREA checking accounts in the NIH Federal Credit Union is automatically remitted to OFM;
  - d. maintain necessary records and other supporting documents on a monthly basis (as required by the Officer); and
  - e. return all remaining SREA documents to the Officer upon termination of the award.

## G. IMPLEMENTATION

1. **Appointment of SREA's Principal Investigator (PI):** The SRA selects the PI, and the Officer confirms the PI's eligibility (see Section F.2a and E.1). Once the selection is made, the grants management office or other appropriate office is notified in writing of the PI's name, institution, social security number, address, telephone number, length of appointment, beginning date, AND approximate amount of the initial award.
2. **Application:** The following documents must be sent to the PI:
  - a. a letter of appointment (Appendix 1);
  - b. a blank grant application face page, Form PHS-398 (Appendix 2) to be signed by the PI and returned to the Officer who forwards a copy to grants management for processing. The PHS-398 is available at <http://grants.nih.gov/grants/funding/phs398/phs398.html>;
  - c. NIH Federal Credit Union Member Application & Agreement (Appendix 3) to be signed by the PI and returned to the Officer who will open the account;
  - d. an Image Digitizing Form (Appendix 4), to be signed by the PI and returned to the Officer for inclusion in the checkwriting system; and
  - e. Appendix 5 – Policies & Requirements document.

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## H. AWARD PROCESS

1. **Award Mechanism:** The appropriate mechanism for the SREA is a cooperative agreement, activity code U09 (See Appendix 6 for sample notice)
2. **Terms and Conditions:** If an award is made to a PI who personally signs the checks, in addition to the standard terms of acceptance, the Notice of Grant Award must include the following statement:

“The awardee must comply with the NIH’s Statement of Policies and Requirements Governing the Acceptance and Administration of Scientific Review and Evaluation Awards, as attached.”
3. **Staff Contacts:** The award indicates the Officer’s (or designee) name and address as the contact point for the PI.
4. **Project Period:** The project period of the SREA usually coincides with the term of appointment of the PI and may be for a period of up to four years.
5. **Obligation of Funds:** The estimate of funds required for an initial 12-month budget period is obligated at the time of the initial award to the central accounting system. If the original obligation nears depletion, additional support is obligated as either a revised award within the same fiscal year, or as a supplement (Type 3) to the budget period if beyond the original fiscal year. Funds are obligated for successive budget periods (12-month increment) as non-competing continuation awards (Type 5).
6. **New Principal Investigators:** Awards to new PIs on continuing SREAs are accomplished as change of grantee institution actions (Type 7). The SREA Type 7 will continue to carry the same grant number as the original award and will serve as a consistent identifier for the IRG. The budget year will change to the next consecutive year, rather than revert to an -01 designation.

The Type 7 may be issued at the time of transfer based on an actual unobligated balance. If there are outstanding vouchers that will be charged to the current budget period, the Type 7 may be issued based on either an estimated balance, or that portion of the funds obligated by the Notice of Grant Award but not advanced to the checking account. The PI is instructed to remit a check for any undisbursed balance in the checking account, which will be reported as an unobligated balance on the FSR and made available under the new SREA award. The check is made payable to “**DHHS/National Institutes of Health**” and sent to the Government

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Accounting Branch, Office of Financial Management, 31 Center Drive, Room B1B05, MSC-2050, Bethesda, MD 20892-2050. A revised Type 7 award may be required based on the Financial Status Report.

## I. PROVISION OF FUNDS

1. **Funds Control:** The Officer makes periodic advances of funds to the NIH Federal Credit Union (NIHFCU) on behalf of the PI to cover estimated expenses for a one month period. The Officer, in consultation with review staff, estimates cash requirements to cover anticipated needs for the next month. Estimates are made under good practices for cash flow management, are realistic, and not excessive. The amount in the SREA bank account should always be kept at a level that enables the PI to make prompt disbursements without having excessive cash on hand.
2. **Cash Requests:** For each required advance of funds (see Appendix 7, Cash Request Memo), the Officer prepares a memorandum to the Government Accounting Branch at the address designated in Section H.6.
3. **Deposit:** Payment may be made to an account established by the PI in a financial institution near the PI's place of employment.

**or**

Funds awarded and advanced to the PI are deposited in an interest bearing account in the NIHFCU by direct deposit from OFM. The IC may expect the deposit to occur within two working days of the receipt of the cash request from OFM.

4. **Provision of Checks:** By agreement with the NIH, the NIHFCU provides a regular supply of checks, charged to the grant, bearing the name of the committee and the address. These checks have carbon copies that remain in the checkbook.
  - a. The Government Accounting Branch, OFM taxpayer identification number (52-0599027) is assigned to each account for the purpose of Internal Revenue Service tax reporting.
  - b. The NIHFCU provides a copy of the monthly account statement to the awarding unit. Each account is provided an "overdraft" feature. The interest on SREA checking accounts maintained at the NIHFCU is automatically remitted to OFM; however, PIs in the field who do not use

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the NIHFCU must make arrangements through their bank to have the interest forwarded to NIH.

5. **Check Signature Records:** The PI provides the Officer with the name(s) of the individual(s) who is authorized to write checks, his or her title or position, and a copy of bank signature authorization cards or other signature facsimile. These records are made a part of the SREA files and are checked monthly.

## J. PAYMENT OF EXPENSES

1. **Vouchers:** Claim for Reimbursement of Travel Cost, Per Diem, and Consultant Fee voucher (Form NIH 1715-2) is used to claim and authorize the consultant's payments from the SREA.

Prior to a committee meeting or site visit review personnel partially completes and distributes Form NIH 1715-2 with information about allowable costs and instructions for completion of the form to each participating consultant (See Appendix 8). The completed form is returned with appropriate receipts to the Officer immediately following the meeting or site visit.

For those consultants participating only by telephone or mail, review personnel collect the appropriate information from the consultant to complete the Form 1715-2. The form may then be forwarded to the Officer after the consultant's participation has been completed. Vouchers exceeding six hundred dollars (\$600) for any one meeting may not be handled using this streamlined procedure. The reviewer would follow procedures in the immediate paragraph above.

2. **Attendance Report:** Immediately following each committee meeting or site visit, the SRA sends the following information to the Officer:

- name of committee;
- location of the meeting, dates of meeting, start and adjournment times;
- names of participating consultants;
- number of days each attended and the compensation to which each is entitled; and
- other pertinent information such as meeting room rental, authorized car, and travel advances.

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- 3. Travel Advances:** Advance payments are requested of the SRA and may be approved by the Officer.
- a. Advance of funds is generally not available for consultants; if necessary, the SRA should request approval from the Officer.
  - b. A public/consumer advocate who participates as a temporary member of a committee and lacks the financial resources to cover the cost of travel until such time as they can be reimbursed, is authorized for receipt of a travel advance. The procedural steps for advancing funds are as follows:
    - 1) The public/consumer advocate (or other member with special needs) notifies the SRA of his/her need for an advance of funds.
    - 2) The IC SREA office reviews the request for the travel advance; calculates the amount of the advance; calls the consumer advocate (or other member) if there are any unresolved problems with the request; prepares a Form NIH 1715-2 voucher with dollar amount of the advance inserted; and, obtains signature/approval of the IC SREA Officer.
    - 3) The IC SREA office forwards the approved Form NIH 1715-2 voucher to the PI or IC check writer, who issues a check for the authorized amount and sends the check along with Form NIH 1715-2 to the consumer advocate (or other member).
    - 4) When the SRA prepares the Attendance List after the meeting, the SRA will note "Advance Authorized" beside the name of the consumer advocate who requested the travel advance. The attendance list certified by the SRA is forwarded to the IC SREA Office.
    - 5) After the meeting, the consumer advocate (or other member) submits the regular Form NIH 1715-2 claim for reimbursement voucher directly to the IC SREA office for audit and processing for payment. The audit involves matching the final claim against the initial travel advance voucher and Attendance List; entering the amount of the fee authorized by the Attendance List; making any necessary adjustments to the claim; approving the claim; and forwarding the claim to the PI or IC check writer for payment.

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- 6) The IC SREA office is responsible for obtaining necessary refunds from the consumer advocate. In the event that the intended travel is not performed, the advance is promptly refunded and redeposited in the SREA account. A record of travel advances are kept in the IC file and shown on the claim for reimbursement to avoid any possibility of dual compensation.
4. **Administrative Expenses:** These expenses include hotel meeting rooms, shredding classified documents, teleconference costs, and overnight delivery service. Overnight delivery service costs must benefit the Federal Government.
5. **Processing and Auditing Vouchers:** Upon receipt of the completed reimbursement Form NIH 1715-2 the Officer, or his/her designee, audits the claim for completeness, accuracy, and allowability of the costs being claimed. All required documents, such as carrier tickets and hotel receipts, must accompany the reimbursement voucher. The claims must be consistent with the SRA's attendance record (as noted in the post-meeting attendance roster) taking into account any travel advances applied by the SRA.

*The following instructions apply when the PI is directly responsible for handling disbursements/reimbursements in the SREA account.*

6. **Processing and Auditing Vouchers When Handled by the PI:** The IC SREA or review staff completes the voucher(s) and signs the appropriate approval block(s). The approved vouchers are then sent to the PI for payment.
7. **Disbursements by the PI:** All disbursements made from the SREA are on standard checks issued by the PI and are supported by pre-audited and approved vouchers with the exception of routine administrative expenses (see Section J.8 below). Only the PI or authorized alternate(s) may issue checks for disbursement from the SREA.
8. **Reimbursement of PI Expenses:** The PI routinely pays for supplies, secretarial, postage and other administrative items by check as the costs are incurred. The PI sends all invoices and receipts to the SREA Officer monthly for verification and audit of these expenses.

**K. AWARD ADMINISTRATION**

1. Expenses chargeable to the SREA

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Proposed expenses other than those listed below must have the prior approval of the Officer or the Chief Grants Management Officer.

**a. Consultant Fees**

- 1) Consultant fees may be paid to consultants as defined in Section D.1. Payment must be made directly to the consultant and not to his/her institution.
- 2) Consultant fees earned by members of IRGs, temporary members who serve on such review groups, and individuals participating on SEPs are payable for each day (or parts of days) that services are rendered at a meeting, on a project site visit, or for time expended for approved review group business.
- 3) Consultant fee reimbursement for Teleconference Meetings:
  - a) Consultant fees may be paid when an individual participates either by teleconference in a review meeting, or when the entire review is conducted by telephone conference call;
  - b) Consultant fees may be paid for a formally scheduled teleconference discussion by reviewers after submission of reviewer critiques;
  - c) Consultant fees may be paid for teleconference sessions to discuss the triage of applications;
  - d) Consultant fees may be paid for participation in formally scheduled pre-meeting teleconference orientation sessions with reviewers. Only those reviewers who participate on the designated dates for the pre-orientation meeting consisting of Review, Program and Grants Management or Contract Management staff will receive the consultant fee.  
*Note: An established fee is paid per day, not per meeting, government-wide. See <http://www3.od.nih.gov/oma/manualchapters/delegations/acquisition/acq05/>*



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- e) Consultant fees may be paid for mail reviews at the discretion of each IC.
- b. **Per diem:** The regular method of computing per diem reimbursement rates is based on: (1) the GSA schedule of per diem rates that members, temporary members, and SEP participants pay for lodging costs, plus (2) a fixed amount to cover costs for meals and miscellaneous expenses. The computed lodgings-plus reimbursement rate must be in accordance with the per diem rate authorized by Federal Travel Regulations. In designated high rate areas, reimbursement will be governed by the prevailing maximum rate allowable at the time or justify actual payment with an actual expense allowance memo. **(Per diem expenses or travel for government employees are paid from direct operating funds.)**
- c. **Travel costs:** For regular members of the IRG, temporary members directly related to the review group business, and individuals participating on a SEP, travel costs are reimbursable from the SREA. Air or train travel must be government-rate fare, tourist, or economy.  
  
If business/first class travel is required to accommodate a medical condition or disability, the Officer must receive a medical certificate **following the practices for federal staff**. This certificate must be sent to the Travel Service Center for authorized issuance of business/first class tickets. Appropriate travel instructions are provided to each traveler by the SRA. A permanently disabled individual may be authorized use of premium class accommodations for up to three (3) year intervals after this time frame has lapsed, proper medical certification must be updated for record keeping purposes.
- d. **Automobile rental:** Automobile rental is allowable as a direct charge for individual or group travel only if such an arrangement is approved by the Officer, is less expensive than alternate means of travel, or is otherwise more advantageous to the Federal Government.
- e. **Conference room rental:** Reimbursement for conference room rental is allowable for IRG or site visit activity when Federal Government space is not available. Charges for the rental of meeting room or other conference services, including rental of equipment required for the meeting, are usually added to the room rental bill sent to the IC SRA chairing the meeting. The SRA verifies charges billed for the meeting room or conference services and submits the bill to the Officer for review, approval, and payment.

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- f. **Supplies:** Purchase of supplies (e.g., postage, envelopes, copier paper, accounting ledgers, checkbooks, and duplication) needed by the PI or the chairperson of an IRG are reimbursable.
- g. **Telephone, telegraph, fax, and on-line computer charges:** Charges incurred by members directly related to regular or **electronic** review group business, project site visits, or non-meeting review group activities are reimbursable from the SREA. Charges for these activities should be reflected on Form NIH 1715-2 (See Appendix 8).

All charges not directly related to review business (personal calls, unauthorized internet charges, etc) are reimbursed in accordance with Federal guidelines.

- h. **Other expenses:** Certain other expenses relevant to review group activities, including publication costs, may be charged to the SREA with prior approval of the Officer or the Chief Grants Management Officer. When negotiated in advance, SREA funds may be used to reimburse costs for pertinent secretarial and clerical services relevant to SREA activities in the PI's office.
- i. **B-1 visitor's visa:** Individuals traveling under a B-1 visitor's visa may be reimbursed for incidental or per diem expenses that constitute reasonable business expenses. Visa application and issuance fees are a permissible travel expense for individuals on official temporary duty Government travel, and thus a permissible use of appropriated funds.  
<http://www.gao.gov/>

2. Expenses not chargeable to the SREA:

- a. Dues (i.e. scientific societies and clubs);
- b. Consultant fees, per diem, or travel reimbursement to Federal Government employees;
- c. Honoraria payments or rewards where the primary intent is to confer a distinction on the recipient;
- d. Equipment purchases, patient care costs, and other expenses not directly related to review activities;

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- e. Social activities – this restriction includes bar charges, entertainment, gifts for members, and similar expenditures;
- f. Personal travel
- g. Dependent care; and
- h. Unauthorized internet expenses.

## L. RECONCILIATION AND EXPENDITURE REPORTING

1. **Monthly Reconciliation of Accounts** – The Officer and the PI are responsible for reconciling the account records on a monthly basis. The reconciliation should bring into agreement records concerning cash requests, expenditures, and the monthly bank statements. For accounts established in the NIHFCU, the bank statements are sent directly to the awarding unit. The PI will have carbon copies of the checks in the checkbook. For accounts at other financial institutions, the PI will have to provide the bank statement and cancelled checks as they routinely provide travel vouchers and other paid invoices. (see section I.3)

2. **Financial Status Reports (SF-269)** are available at:

<http://forms.psc.gov/forms/sf/SF-269.pdf>

- a. Annual Reports – The Officer provides a Financial Status Report (FSR) form to the PI with instructions for completion and return to the Officer. Following audit and approval by the Officer, the FSR is submitted to OFM at the address indicated in Section H-6. The report is submitted within 90 days after the end of each budget period. This annual report is mandatory.
- b. Final Report – When the SREA is terminated for any reason, or if there is a change in PI, a final Financial Status Report must be submitted within 90 days following such action.

*- When handled internally at NIH:*

The Officer requests a check from the NIHFCU to close out the existing account. The closeout check (made payable to DHHS/National Institutes of Health), FSR, audit reports, and a request to transfer the account balance to the new PI are forwarded to the Government Accounting Branch at the address provided in Section H.6.

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*- When handled by the PI who has a bank account at his/her home location:*

The PI must remit a check (signed by a bank official and made payable to DHHS/National Institutes of Health) for any undisbursed funds in the account. This check, along with the final report, must be mailed to the Officer, who forwards the closeout package to OFM at the address in provided in Section H.6.

If the submission of the Final Status Report is due to a change in the PI only, the existing checking account at the NIH Federal Credit Union should be officially closed. Correspondence officially requesting closure of the account and a credit union draft for any remaining funds should be sent to the NIHFCU at the following address:

Vice President for Finance and Technology  
NIH Federal Credit Union  
600 Jefferson Plaza, Suite 400  
Rockville, MD 20852-6475

#### **M. INTERNAL REVENUE SERVICE REPORTING**

IRS Form 1099, "Statement for Recipients of Non-employee Compensation," is provided to consultants who receive an aggregate of NIH consultant income of \$600 or more in any calendar year. NIH consultant income includes travel and per diem, as well as consultant fees. While the IRS regulations do not permit NIH to exclude travel and per diem reimbursement from the amount reported on the Form 1099, only the consultant fee (honorarium) is taxable. Consultants are encouraged to keep Form NIH 1715-2 or the check stub in order to substantiate those portions of reported income that are not taxable. For further information, please refer to Title 26 of the Federal Regulations.

#### **N. EFFECTIVE DATE**

This policy is effective on the date of release.

#### **O. RECORDS RETENTION AND DISPOSAL**

All records (e-mail and non-e-mail) pertaining to this chapter must be retained and disposed of under the authority of NIH Manual 1743, "Keeping and Destroying Records", Appendix 1, "NIH Records Control Schedule," Item 1100-G-20 covers SREA files, and Item 4000 covers NIH Grants and Awards. Refer to the NIH Chapter for specific disposition instructions.

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NIH e-mail: NIH e-mail messages (including attachments) created on NIH computer systems or transmitted over NIH networks evidencing of the activities of an agency or have informational value, are considered Federal records. These records must be maintained in accordance with current NIH Records Management guidelines. Contact your IC Records Officer for additional information.

All e-mail messages are considered Government property and if requested for a legitimate Government purpose, must be provided to the requester. Employees' supervisors, NIH staff conducting official reviews or investigations, and the Office of Inspector General may request access to or copies of e-mail messages. E-mail messages must also be provided to Congressional oversight committees if requested and are subject to Freedom of Information Act requests. Since most e-mail systems have back-up files that are retained for significant periods of time, e-mail messages and attachments are likely to be retrievable from a back-up file after they have been deleted from an individual's computer. The back-up files are subject to the same request as the original messages.

## **P. MANAGEMENT CONTROLS**

The purpose of this manual issuance is to state NIH policies and the requirements governing the acceptance and administration of Scientific Review and Evaluation Awards.

- 1. Office Responsible for Reviewing Management Controls Relative to this Chapter:** The Office of Policy for Extramural Research Administration (OPERA), Office of Extramural Research (OER).
- 2. Frequency of Review:** The frequency of review will be based on the outcome of a risk assessment that will determine **how often** a management control review will be conducted to assess IC compliance with this issuance. **Chapters with high-risk ratings will receive a more frequent and/or detailed review and will receive the highest priority in the review schedule.**
- 3. Method of Review:** OPERA will utilize the NIH Management Controls Compliance Model (MCCM) as described in the GMAC Policy and Procedure Announcement 2000-01. This model will assess **IC** compliance with the policies stated in this issuance and determine if policies are correct, clear, and effectively written. The Management Controls Compliance Model Board (MCCMB) will oversee the development of a customized compliance checklist. This checklist will be used when reviewing files or electronic data to determine compliance with

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this issuance. A fundamental concept of the MCCM is to use a sampling method instead of an Institute-by-Institute review in order to determine NIH-wide compliance.

4. **Review Reports are sent to:** The review findings will be presented in the form of a draft report that will be provided to Chief Grants Management Officers(s) for comment with a copy to the Director, OPERA. A final report will be provided to Chief Grants Management Officers, IC Extramural Activities Directors or Executive Officers, as appropriate, the DDER, the Director, OPERA, **and the Deputy Director for Management.**